

CHILD GUIDANCE CENTER/ORCHARD PLACE

June 7, 2011

What is the Issue? State funding for the **Central Iowa System of Care (CISOC)** proof of concept program grant will end June 30, 2011. Orchard Place's Child Guidance Center administers this grant, one of just two locations in Iowa where it is available. Funding is needed to operate the program for an additional 12 months to June 30, 2012 so that sufficient data can be collected to determine if preliminary data can be confirmed showing there are significant outcomes and fiscal advantages to children, their families, and state resources in extending the availability of this concept to other areas in Iowa.

What is the requested legislative response? HF 649, the health and human services budget bill, as amended by the Senate, included \$257,173 to extend the program to June 30, 2012. (HF 649 as amended by H-1732, page 9, lines 36-40.) The House un-numbered omnibus budget draft bill LSB 2811YC includes on pages 188/189 the following:

Of the funds appropriated in this section, \$250,804 shall be used for the public purpose of continuing the central Iowa system of care program grant through June 30, 2012.

Orchard Place seeks legislative support for either of these amounts.

What is a System of Care? A foundational value of comprehensive community systems of care is that children and youth with a serious emotional disturbance are best served at home in their home community and school. That value is achieved by using a wraparound service approach and care coordination that keeps the family in charge of their treatment and matches treatment interventions with the strengths and needs of the child and family. The right set of services provided in the right amount at the correct time can keep more children at home rather than being placed out of home in a PMIC or other residential program. It helps the family navigate a complex system across a number of administrative and funding jurisdictions.

DHS director Chuck Palmer, in his January 31, 2011 status report on the children's mental health system to Governor Branstad and the Iowa General Assembly, argued strongly for more community-based services such as SOC saying, in part,

Parents are left to be their own case manager without the expertise and knowledge needed to navigate the mental health system. They turn to the traditional access points for intensive services for children- DHS Child Welfare, the juvenile court system, the involuntary commitment process, acute mental health care settings, and PMICs, even though community-based options, when available, can help avert these more costly and restrictive interventions, and keep their child in their home, school, and community.

What is the background of the CISOC program? The 2008 legislative session appropriated \$500,000 for a competitive bid process to establish a one Local System of Care project to run for 24 months. At that time it was the department's intent that this SOC Project (which became known as the Central Iowa System of Care or CISOC) along with the SAMHSA Circle of Care

project in the Dubuque area would be the start of statewide development of a children's care system that incorporated the proven values, guiding principles and practices of a comprehensive community based systems of care.

An RFP was issued in November 2008 resulting in a contract with Orchard Place/Child Guidance Center signed in August 2009 followed by commencement of services in October 2009. In 2010 the legislature extended the unspent portion of the original appropriation to cover program costs in SFY11. The contract is due to end June 30, 2011 for the lack of further funding. Although originally thought to require \$340,000 in state funding for SFY12, Child Guidance Center has achieved some efficiencies in service delivery to the extent that approximately \$260,000 in state funding, plus a \$60,000 federal money commitment by the Iowa Criminal and Juvenile Justice Planning agency, is adequate to extend the project to June 30, 2012.

What have we learned thus far from this SOC demonstration program? During 18 months of operation the Central Iowa System of Care has served over 100 children and youth with a serious emotional disturbance. Of those 100 children and youth served 20 were diverted from an imminent PMIC placement. Most were on the PMIC waiting list. Had those PMIC placements occurred the cost would have been approximately \$945,000 for 270 days of residential care. Based on 38% state Medicaid match, that would be \$302,400 of state funding. Looking at it from a different perspective; the average cost per SOC case is about \$4,000 while the average cost of a PMIC stay is about \$47,250; more than 10 times the cost of an SOC case.

According to the Palmer report, six months of program data through June 30, 2010 shows that 88% of the children did NOT move to more restrictive treatment settings; 94% will NOT have CINA petitions filed; NO child or youth was involuntarily committed for mental health treatment; 88% maintained or improved grades and 90% had reduced or no suspensions from school.

If this project were funded through June 30, 2012, how could it be sustained beyond that time? First and foremost, the SOC concept is emerging as a fundamental building block of current mental health system redesign efforts focused on growing community-based service capacity. It does not make sense to abandon such a promising programmatic concept that is implementing the very structure upon which it is likely the re-design of the children's mental health treatment system will be based.

If the data continue to show such positive results in keeping children from entering more costly higher levels of care while at the same time improving their mental health, a compelling case could be made for requesting federal Medicaid funding for SOC services beginning July 1, 2012. A number of other states have done so and we would urge the department and other policy makers to seriously investigate this option as well as SAMSHA and other federal sources.

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